

Historic, Archive Document

Do not assume content reflects current scientific knowledge, policies, or practices.

MILK MARKET INFORMATION
CHATTANOOGA TENNESSEE MARKETING AREA
DECEMBER 1959

Number 5

Released Pursuant to \$1000.27 (j) and \$1000.85, Federal Order No. 100, 3756 Ringgold Rd., Chattanooga 11, Tennessee
J. B. McCroskey, Market Administrator

MARKET SUMMARY DECEMBER 1959

U.S. DEPARTMENT OF AGRICULTURE

The Chattanooga Order Minimum uniform producer price is \$5.12 per cwt. f.o.b. pool plants for milk containing 4.0% butterfat. The producer butterfat differential is 8.0 cents for each one-tenth of one percent above or below 4.0 percent.

During December 85.2% of the total producer milk was priced in Class I at \$5.48 per cwt. with a butterfat differential of 8.3 cents and 14.8% was priced in Class II at \$3.57 per cwt. with a butterfat differential of 7.1 cents. The percent of producer skim and butterfat priced in Class I was 85.9% and 70.0% respectively.

The daily average delivery of producer milk during December decreased 0.5% compared with November and increased 5.0% compared with December 1958. The daily average use of Class I milk decreased 2.2% compared with November and increased 4.8% compared with December 1958.

MILK SAMPLES TESTED - Composite 567, Fresh 6,197, Finished Products 234.

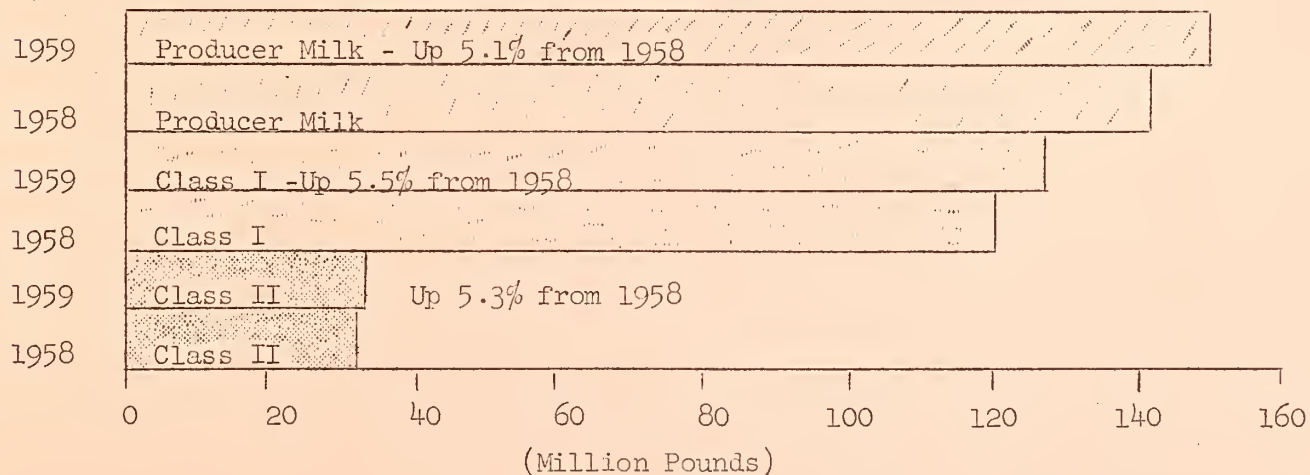
NUMBER OF FARM PAYROLL ACCOUNTS

	1958	1959											
	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Can	433	427	413	400	390	362	343	311	264	246	218	203	198
Tank	331	334	342	349	353	380	395	418	478	486	503	514	516
TOTAL	764	761	755	749	743	742	738	729	742	732	721	717	714
New	3	4	0	2	2	1	0	0	20	5	4	2	3
Quit	7	7	6	8	8	2	4	9	7	15	15	6	6

MILK BASE -- 1960

New bases will be announced during February 1960. Milk Bases are built during September thru January. These bases are used for calculating payment for milk deliveries during March thru July. A base may not be transferred unless written notice is received by the Market Administrator.

PRODUCER RECEIPTS COMPARED WITH GROSS CLASS UTILIZATION
(JANUARY THRU DECEMBER)



COMPARISON OF GROSS MILK RECEIPTS AND UTILIZATION

	<u>Dec. '59</u>	<u>Nov. '59</u>	<u>Dec. '58</u>
Number of Plants (Pool and Non-Pool)	19	19	20
GROSS RECEIPTS (DAILY AVERAGE)			
Producer Milk - Cans	85,865	90,778	186,975
Producer Milk - Bulk Tank	<u>323,227</u>	<u>320,402</u>	<u>202,642</u>
Total Producer Milk Pounds	409,092	411,180	389,617
% December '59 compared with:	100.0	99.5	105.0
Other Source Milk Pounds	9,092	10,112	13,081
Other Order Milk Pounds	<u>5,996</u>	<u>8,795</u>	<u>21,980</u>
<u>TOTAL RECEIPTS MILK POUNDS</u>	<u>424,180</u>	<u>430,087</u>	<u>424,678</u>
% December '59 compared with:	100.0	98.6	99.9
GROSS UTILIZATION (DAILY AVERAGE)			
Class I Milk Pounds:			
Fluid Milk	290,156	288,957	275,847
Buttermilk	38,489	37,188	36,444
Chocolate Milk	6,858	7,197	6,299
Fluid Skim	10,445	10,104	6,635
Fluid Creams	2,601	2,246	2,342
Bulk to Non-Handlers	4,232	13,402	9,475
Class I Shrinkage	1,052	2,520	2,405
Inventory Reclassification	(542)	(234)	(2,322)
Overstated Sales	-	(13)	-
Total Class I Milk	<u>353,291</u>	<u>361,367</u>	<u>337,125</u>
% December '59 compared with:	100.0	97.8	104.8
Class II Milk Pounds (Used to Produce)			
Butter	5,194	6,625	2,978
Cottage Cheese	11,767	12,358	8,232
Powdered and Condensed Milk	29,137	17,196	48,767
Ice Cream	12,865	13,393	15,455
Inventory Variation	(2,530)	7,962	(4,560)
Other	<u>14,456</u>	<u>11,186</u>	<u>16,681</u>
Total Class II Milk	<u>70,889</u>	<u>68,720</u>	<u>87,553</u>
% December '59 compared with:	100.0	103.2	81.0
<u>TOTAL UTILIZATION CL. I AND CL. II MILK LBS.</u>	<u>424,180</u>	<u>430,087</u>	<u>424,678</u>
Gross Cl. I Packaged Units-Pounds (Daily Av.)	348,549	345,692	327,567
% December '59 compared with:	100.0	100.8	106.4
% Producer Milk of Gross Class I	115.8	113.8	115.6
% Producer Milk Priced in Class I	85.2	85.1	79.8

DECEMBER 1959 TOTAL CLASS I UNIT SALES BY 15 POOL PLANTS ONLY

	<u>GALS.</u>	<u>$\frac{1}{2}$ GALS.</u>	<u>QUARTS</u>	<u>PINTS</u>	<u>$\frac{1}{2}$ PINTS</u>	<u>PRODUCT LBS. ^{1/}</u>
Standard Milk	*	19,457	60,681	-	*	210,989
Homo Milk	179,572	1,123,954	563,048	308,916	1,566,991	8,762,217
Skim Milk	4,035	*	97,755	-	*	323,310
Buttermilk	10,784	140,932	217,817	12,545	17,410	1,189,900
Flavored Milk	*	*	35,680	84,241	89,782	211,968
Cream ($\frac{1}{2}$ & $\frac{1}{2}$)	*	-	4,347	*	-	20,402
Light Cream (X)	-	-	7,793	-	15,119	24,365
Heavy Cream (XX)	-	-	2,373	-	37,771	24,405
Sour Cream	87	-	-	*	19,921	11,414

* Units omitted - Distributed by less than three handlers.

^{1/} Distribution out of the three-county marketing area was 30.5% of the above total packaged product pounds distributed by the 15 pool plants.

JANUARY 1960 CLASS I MINIMUM PRICE COMPUTATION INCLUDING SUPPLY-DEMAND ADJUSTMENT

	Jan. '60	Dec. '59	Jan. '59
Basic Formula (See page 4)	\$3.57	\$3.67	\$3.46
Plus (\$ 1000.51 (a)(1))	1.75	1.75	1.75
Supply-Demand Adjustment	0.02	0.06	0.00
Class I Price, 4.0% Butterfat	\$5.34	\$5.48	\$5.21

Per \$ 1000.51 (a)

Supply-Demand Comparison: 1st and 2nd preceding months: November and December	
Supply: Lbs. Producer Milk (Nov. 12,335,399 and Dec. 12,681,848)	25,017,247
Demand: Lbs. Net Class I Milk (Nov. 10,752,669 and Dec. 10,854,564)	21,607,233
Utilization Percentage: Producer milk divided by Class I	116
Standard Utilization Percentage: Range 117-121	117
Net Deviation Percentage: Utilization minus Standard Utilization	minus 1
Supply-Demand Adjustment: 2 cents x 1 percentage point	plus \$0.02

Since the supply in relation to the demand is less than the desired standard, the price is increased 2 cents per hundredweight (2 cents x 1 percentage point).

SUMMARY OF COMPUTATION OF UNIFORM PRODUCER PRICES FOR DECEMBER 1959

Based on 19 Plant reports prior to audit

	Class %	Milk Pounds	Butterfat Test-%	Cwt. Price @ Test	Value
Gross Class I		10,952,029	3.646		
Less Other Source		145,105	2.660		
Producer Milk Class I	85.2	10,806,924	3.659376	\$5.197282	\$561,666.32
Gross Class II		2,197,552	7.892		
Less Other Source		322,628	1.313		
Producer Milk Class II	14.8	1,874,924	9.024259	7.137224	133,817.53
TOTAL PROD. (Cl. I + Cl. II)	100.0	12,681,848	4.452537		695,483.85
Add Compensatory Payment Value		8,446		0.36	30.41
Add Overage Value					61.87
Add Inventory Reclassification Value					230.35
Add $\frac{1}{2}$ Producer-Settlement Fund Reserve					5,473.88
TOTAL VALUE AT TEST		12,681,848	4.452537		701,280.36
Less Test Over 4% @ 8.0¢ per point		12,681,848	.452537	0.362030	45,912.09
TOTAL VALUE AT 4.0%		12,681,848	4.0	5.167766	655,368.27
Less Producer-Settlement Fund Reserve		12,681,848		.047766	6,057.61
UNIFORM PRICE f.o.b. POOL PLANT		12,681,848	4.0	\$5.12	\$649,310.66

DECEMBER 1959 MINIMUM PRODUCER PRICES CWT. f.o.b. CHATTANOOGA POOL PLANT

BUTTERFAT DIFFERENTIAL 8.0¢ PER POINT (EXCLUDES PREMIUMS)

TEST	PRICE	TEST	PRICE	TEST	PRICE	TEST	PRICE	TEST	PRICE
3.0%	\$4.32	3.6%	\$4.80	4.2%	\$5.28	4.8%	\$5.76	5.4%	\$6.24
3.05	4.36	3.65	4.84	4.25	5.32	4.85	5.80	5.45	6.28
3.1	4.40	3.7	4.88	4.3	5.36	4.9	5.84	5.5	6.32
3.15	4.44	3.75	4.92	4.35	5.40	4.95	5.88	5.55	6.36
3.2	4.48	3.8	4.96	4.4	5.44	5.0	5.92	5.6	6.40
3.25	4.52	3.85	5.00	4.45	5.48	5.05	5.96	5.65	6.44
3.3	4.56	3.9	5.04	4.5	5.52	5.1	6.00	5.7	6.48
3.35	4.60	3.95	5.08	4.55	5.56	5.15	6.04	5.75	6.52
3.4	4.64	4.0	5.12	4.6	5.60	5.2	6.08	5.8	6.56
3.45	4.68	4.05	5.16	4.65	5.64	5.25	6.12	5.85	6.60
3.5	4.72	4.1	5.20	4.7	5.68	5.3	6.16	5.9	6.64
3.55	4.76	4.15	5.24	4.75	5.72	5.35	6.20	5.95	6.68

SUMMARY OF CHATTANOOGA MILK PRICES (4 PERCENT MILK)

Month	PRODUCER UNIFORM PRICES ^{1/} Per Hundredweight				HANDLER CLASS PRICES ^{1/}			
	Uniform	Base	Excess	Bf.Dif.	Class I		Class II	
					Cwt.	Bf.Dif.	Cwt.	Bf.Dif.
Dec. '58	\$4.80	-	-	7.2¢	\$5.17	7.5¢	\$3.46	6.9¢
Jan. '59	4.88	-	-	7.4	5.21	7.8	3.33	6.6
Feb.	4.79	-	-	7.2	5.18	7.5	3.21	6.6
Mar.	4.67 ^{2/}	\$4.82	\$3.11	7.2	5.21	7.5	3.15	6.6
Apr.	4.49 ^{2/}	4.74	3.04	7.2	5.12	7.5	3.08	6.7
May	4.36 ^{2/}	4.59	2.99	7.2	4.97	7.5	3.03	6.7
June	4.46 ^{2/}	4.67	2.99	7.2	5.05	7.5	3.03	6.7
July	4.61 ^{2/}	4.83	2.99	7.2	5.10	7.5	3.03	6.7
Aug.	4.58	-	-	7.4	5.10	7.5	3.04	6.9
Sept.	4.77	-	-	7.6	5.04	7.8	3.57	7.2
Oct.	4.94	-	-	8.0	5.14	8.2	3.59	7.2
Nov.	5.08	-	-	7.8	5.36	8.1	3.67	7.4
Dec.	5.12	-	-	8.0	5.48	8.3	3.57	7.1
Jan. '60	-	-	-	-	5.34	8.0	-	-

SUMMARY OF PRICES USED IN DETERMINING CLASS PRICES

Month	AVERAGE QUOTATIONS				ALTERNATIVE FORMULAS (\$-cwt-4%)				Highest or Basic Formula \$-cwt-4%
	Mid-West Cond.	Chi.92° Butter	Chi.Area Powders	Wisc. Cheese	Mid-West Cond.	Butter	Butter 4 Tenn.		
	\$-cwt-3.5%	¢ Lb.	¢ Lb.	¢ Lb.		Cheese	Powder	Milk Mfg.	
Dec. '58	3.071	60.330	12.705	31.688	3.43	3.25	3.46	3.21	3.46
Jan. '59	3.062	57.744	12.680	31.750	3.43	3.14	3.33	3.21	3.43
Feb.	3.060	57.743	12.695	31.750	3.42	3.14	3.33	3.21	3.42
Mar.	3.014	57.750	12.720	31.750	3.37	3.14	3.33	3.15	3.37
Apr.	2.952	57.840	12.615	31.596	3.31	3.14	3.34	3.08	3.34
May	2.918	57.905	12.800	31.100	3.28	3.14	3.34	3.03	3.34
June	2.908	57.974	12.600	31.000	3.27	3.14	3.35	3.03	3.35
July	2.933	58.026	12.645	31.100	3.29	3.14	3.35	3.03	3.35
Aug.	2.965	60.190	12.820	31.531	3.34	3.24	3.45	3.04	3.45
Sept.	3.013	62.730	12.890	31.692	3.39	3.36	3.57	3.10	3.57
Oct.	3.098	62.360	13.070	31.875	3.50	3.35	3.59	3.13	3.59
Nov.	3.146	63.930	13.025	33.688	3.54	3.45	3.67	3.18	3.67
Dec.	3.154	61.870	13.190	34.750	3.55	3.38	3.57	3.20	3.57

SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE)

Month	GROSS MILK POUNDS ^{3/}					Number of Hdlr.Prod.	Deliveries Per Farm -- Pounds			Prod. Milk Test %
	Gross Cl. I	Prod. Cl. I	Prod. Repts.	Base Repts.	Gross Repts.		Prod.	Base	Exc.	
Dec. '58	337,125	310,803	389,617	-	424,678	20	764	510	-	4.51
Jan. '59	362,232	334,538	388,175	-	423,612	20	761	510	-	4.46
Feb.	341,167	310,878	378,577	-	416,038	20	755	501	-	4.32
Mar.	332,496	301,741	399,902	365,270	434,768	20	749	534	488	4.27
Apr.	341,167	310,039	443,890	376,828	480,157	19	743	597	507	4.15
May	329,182	299,433	433,519	370,297	469,576	19	742	584	499	4.12
June	320,140	290,413	404,243	354,261	440,588	19	738	548	480	4.11
July	331,754	301,821	390,592	343,625	427,296	19	729	536	471	4.10
Aug.	341,613	311,370	410,849	-	447,253	19	742	554	-	4.07
Sept.	393,471	362,826	438,618	-	475,495	19	732	599	-	4.13
Oct.	386,834	374,206	415,133	-	436,128	19	721	576	-	4.30
Nov.	361,367	350,101	411,180	-	430,087	19	717	573	-	4.46
Dec.	353,291	348,611	409,092	-	424,180	19	714	573	-	4.45

^{1/} Excludes Premium^{2/} For statistics only^{3/} Other Source is Gross minus Producer; Class II is Receipts minus Class I; Excess is Producer minus Base